

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INBOUND PARCEL POST (AT UPU RATES)

Docket No. CP2018-84

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
CHANGES IN RATES NOT OF GENERAL APPLICABILITY FOR
INBOUND PARCEL POST (AT UPU RATES),
AND APPLICATION FOR NON-PUBLIC TREATMENT**
(December 12, 2017)

The United States Postal Service (Postal Service) hereby gives notice of a change in rates not of general applicability for its Inbound Parcel Post (at Universal Postal Union (UPU) Rates) product; these rates would take effect January 1, 2018.

Prices and classifications not of general applicability for Inbound Air Parcel Post (at UPU Rates) were previously established by the Decision of the Governors of the United States Postal Service on the Establishment of New Prices and Classifications for Inbound Air Parcel Post (at UPU Rates), issued on November 16, 2009 (Governors' Decision No. 09-15). The Postal Regulatory Commission (Commission) previously determined that Inbound Air Parcel Post (at UPU Rates) is appropriately classified as a competitive product and that an initial review of the rates indicated compliance with statutory requirements.¹ On August 19, 2014, in PRC Order No. 2160, the Commission determined that Inbound Surface Parcel Post (at UPU Rates) also is appropriately classified as a competitive product and that an initial review of the rates indicated

¹ PRC Order No. 362, Order Adding Inbound Air Parcel Post at UPU Rates to Competitive Product List, Docket Nos. MC2010-11 and CP2010-11, December 15, 2009, at 8-9.

compliance with statutory requirements.² As part of the Order No. 2160, Inbound Air Parcel Post (at UPU Rates) and Inbound Surface Parcel Post (at UPU Rates) were merged into a single product identified as Inbound Parcel Post (at UPU Rates).

The Decision of the Governors of the United States Postal Service on Changes in Rates and Classes for Inbound Parcel Post (at UPU Rates) (Governors' Decision No. 14-04), issued on June 18, 2014, established the rates and classification for Inbound Parcel Post (at UPU Rates). The Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-published Competitive Rates (Governors' Decision No. 11-6), issued on March 22, 2011, authorized rates for, among other things, "other non-published competitive rates" that are "not of general applicability" and also "that are not embodied in contractual instruments." These expressly included, as an example, rates arising "from other sources, such as the Universal Postal Convention."

With this filing, the Postal Service notifies the Commission of changes to the rates for Inbound Parcel Post (at UPU Rates) that are intended to take effect January 1, 2018.³ This includes the Air Parcel and Surface Parcel rates within the Inbound Parcel Post (at UPU Rates) product. This is the same scenario for which the Commission

² PRC Order No. 2160, Order Approving Product List Transfer, Docket No. MC2014-28, August 19, 2014, page 8.

³ This filing does not concern the rates for ECOMPRO parcels; the Commission already approved the new ECOMPRO rates that will take effect on January 1, 2018. See Order Approving Changes in Prices Not of General Applicability for Certain Inbound Parcel Post (at UPU Rates), PRC Order No. 4070, August 28, 2017.

approved rates in effect for the period beginning January 1, 2017, and July 1, 2017, in PRC Order Nos. 3716 & 3985, respectively.⁴

The rates and supporting documents are being filed separately under seal with the Commission. The Postal Service's Application for Non-public Treatment of those materials is included with this Notice as Attachment 1. A redacted version of UPU International Bureau (IB) Circular No. 132 (dated November 20, 2017⁵), which fixed the new rates that are the subject of this filing, is included as Attachment 2.⁶ The new rates appear on page 11 within Annex 1 of Attachment 2. A certification pursuant to 39 C.F.R. § 3015.5(c)(2) is included as Attachment 3. Redacted Postal Service data used by the UPU to justify any bonus payments are included as Attachment 4.⁷ A copy of the Postal Service's submission to the UPU in support of an inflation-linked adjustment is included as Attachment 5. Redacted copies of Governors' Decision Nos. 14-04 and 11-6 are included as Attachments 6 & 7, respectively. Redacted Excel versions of the supporting financial documentation also accompany this filing.

I. Explanation of Rates -- New UPU Rates for Inbound Parcel Post.

⁴ See Order Acknowledging Changes in Prices for Inbound Parcel Post (at UPU Rates), PRC Order No. 3716, December 30, 2016; Order Acknowledging Changes in Prices for Inbound Parcel Post (at UPU Rates), PRC Order No. 3985, June 29, 2017.

⁵ UPU Circular No. 132 was originally issued on September 25, 2017, but a corrected version was issued by the UPU on November 20, 2017.

⁶ The Application in Attachment 1 requests non-public treatment of the Postal Service's inbound rates and its related performance results. In these documents, the UPU also issued the inbound rates for other countries' postal operators and their related performance results. Those other countries' inbound rates and performance results (in Attachment 2) are redacted (even in the non-public versions of this filing) because they are not only sensitive business information of the foreign posts, but they are also irrelevant to this filing concerning the Postal Service's inbound rates.

⁷ The original UPU "6-Months Parcels Measurement Report" document includes 63 numbered pages. Attachment 4 to this Notice contains redacted pages displaying the Postal Service's inbound consolidated results and outbound consolidated results used to assess bonuses. Other pages and data not displayed in the attachment consist of other outbound data and non-consolidated data. Likewise, results from other countries' posts are irrelevant to this filing and this docket, and are redacted (even in the non-public version) in Attachment 4.

As noted above, Attachment 2 consists of UPU IB Circular No. 132 dated November 20, 2017, by which the UPU established the new rates for Inbound Parcel Post to take effect on January 1, 2018. IB Circular No. 132 (Attachment 2) sets the new air and surface parcel rates that are included within the merged Inbound Parcel Post (at UPU Rates) product.

II. Application for Non-Public Treatment

The Postal Service maintains that certain portions of the Governors' Decisions, the new rates, the service feature and bonus data, and related financial information should remain confidential. The Postal Service provides its Application for Non-Public Treatment of materials filed under seal as Attachment 1.

III. Management Analysis

In PRC Order No. 2310, the Commission requested that the Postal Service provide an update to the Management Analysis originally in support of the establishment of rates for Inbound Air Parcel Post (at UPU Rates) as originally requested in PRC Order No. 2102. Specifically, the Commission requested in PRC Order No. 2102 (at 6):

data and information concerning the Postal Service's submission of formal documentation to the UPU in support of an inflation-linked adjustment for the inward land rate it receives from other postal administrations and transmission of responses to the UPU survey to justify bonus payments; the date the UPU advises the United States that the inward land rate applicable to its inbound air parcels would be per item plus per kilo special drawing rights (SDRs); the inward land rate calculation for the pertinent year (or period); the SDR equivalent in U.S. dollars; and the estimated cost coverage for the pertinent calendar year.

In response, the Postal Service provides the following with respect to the successor Inbound Parcel Post (at UPU Rates) product:

- The documentation in support of the inflation-linked adjustment for inward land rates is included as Attachment 5.
- The Postal Service is transmitting (within redacted Attachment 4) the data used by the UPU to justify any bonus payments.
- The date that the UPU advised the United States of the Inward Land Rates and the calculation⁸ for the pertinent period was September 25, 2017 (re-issued in a revised Circular on November 20, 2017), as shown on page 1 of the UPU IB Circular accompanying this Notice as Attachment 2.
- The SDR conversion rate to U.S. dollars used for the cost coverage analysis was 1 SDR is equal to \$1.42 USD.⁹
- The estimated cost coverage for the pertinent year is available in the attached financial information. That financial information and the attached certification show that the Inbound Parcel Post (at UPU Rates) product should cover its attributable costs, preclude the subsidization of competitive products by market dominant products, and not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

In PRC Order No. 3716, for future filings for prices for Inbound Parcel Post (at UPU Rates), the Commission further directed the Postal Service to provide citations and copies of the relevant IB Circulars and updates to the inflation-linked adjustment. The

⁸ The Inward Land Rates calculation is performed by the UPU based on data provided by the Postal Service. The UPU's calculation is explained on page 1 of Attachment 2 and the introductory pages of Attachment 4. The results of the calculation are provided on page 11 of Attachment 2.

⁹ This conversion rate is based on the publication of the SDR value by the International Monetary Fund (IMF) on November 28, 2017. The conversion rate at the time of settlement may vary based on the IMF value of the SDR at time of settlement.

Postal Service has provided these citations above and has included a copy of the IB Circular as Attachment 2 and the inflation-linked information in Attachment 5.

IV. Conclusion

For the reasons discussed above, the Postal Service has established that these new rates for Inbound Parcel Post (at UPU Rates) are in compliance with the requirements of 39 U.S.C. § 3633(a)(2). Accordingly, the Postal Service respectfully submits that it has met its burden of providing notice to the Commission of changes in rates for the Inbound Parcel Post (at UPU Rates) product within the scope established by Governors' Decision Nos. 14-04 & 11-6, as required by 39 U.S.C. § 3632(b)(3), and requests approval of these UPU rates that will take effect on January 1, 2018.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel,
Global Business and Service Development

Jeffrey A. Rackow
Kyle R. Coppin
Attorneys

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1101
(202) 268-2368; Fax -5418
Kyle.R.Coppin@USPS.gov
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APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3007.21, the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed with the Commission in these dockets. The materials pertain to the establishment of prices and classifications not of general applicability for Inbound Parcel Post (at UPU Rates) established in Governors' Decision No. 14-04 and Governors' Decision 11-6. The rates and supporting documents establishing compliance with 39 U.S.C. §§ 3632-3633 and 39 C.F.R. §§ 3015.5 and 3015.7 are being filed separately under seal with the Commission. Redacted copies of these materials are filed publicly, including redacted versions of supporting financial documentation filed as separate Excel documents.

The Postal Service hereby furnishes the justification required for this application by 39 C.F.R. § 3007.21(c) below.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

The materials designated as non-public consist of information of a commercial nature that under good business practice would not be publicly disclosed. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4).¹ Because the portions of the materials that the Postal Service is filing only under seal fall within the scope of

¹ In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their non-public treatment.

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

In the case of the UPU rates such as those at issue here, the Postal Service believes that the foreign postal operators whose governments are members of the UPU are the only third parties with a proprietary interest in the materials. Due to language and cultural differences as well as the sensitive nature of the Postal Service's rate relationship with the affected foreign postal operators, the Postal Service proposes that a designated Postal Service employee serve as the point of contact for any notices to the relevant postal operators.² The Postal Service identifies as an appropriate contact person Peter Chandler, Manager, UPU Relations, International Postal Affairs. Mr. Chandler's phone number is (202) 268-5549, and his email address is peter.r.chandler@usps.gov.

The Postal Service provided notice to all foreign postal operators within the Universal Postal Union network through an International Bureau Circular issued on January 23, 2017, that the Postal Service will be regularly submitting certain business information to the Commission. The circular includes information on how third parties may address any confidentiality concerns with the Commission. In addition, contact

² The Postal Service acknowledges that 39 C.F.R. § 3007.21(c)(2) appears to contemplate only situations where a third party's identification is "sensitive" as permitting the designation of a Postal Service employee who shall act as an intermediary for notice purposes. To the extent that the Postal Service's response might be construed as beyond the scope of this exception, the Postal Service respectfully requests a waiver that would allow it to designate a Postal Service employee as the contact person under these circumstances, in light of the practical considerations outlined herein.

information for all UPU Designated Operators is available at the following link, which is incorporated by reference into the instant application:

http://pls.upu.int/pls/ap/addr_public.display_addr?p_language=AN.³

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

In connection with its Notice filed in these dockets, the Postal Service included its new rates, Governors' Decision Nos. 11-6 & 14-04, data on service features justifying its rate bonuses, and supporting documentation in the form of financial work papers. These materials were filed under seal, with redacted copies filed publicly.⁴ The Postal Service maintains that the redacted portions of the rate charts, data supporting bonuses and adjustments, and related financial information should remain confidential.

The redactions applied to the rate charts, bonus data, and related financial work papers protect commercially sensitive information such as rates, underlying costs and assumptions, performance data, pricing formulas, and cost coverage projections. To the extent practicable, the Postal Service has limited its redactions to the actual information it has determined to be exempt from disclosure under 5 U.S.C. § 552(b).

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the portions of the rate charts, service performance bonus and rate adjustment data, Governors' Decision Nos. 11-6 & 14-04, and related financial work papers that the Postal Service determined to be protected from disclosure due to their commercially

³ To the extent required, the Postal Service seeks a waiver from having to provide each foreign postal operator notice of these dockets. It is impractical to communicate with dozens of operators in multiple languages about this matter. Moreover, the volume of filings would overwhelm both the Postal Service and the applicable foreign postal operators with boilerplate notices.

⁴ The non-public version of Attachments 2 & 4 maintain redactions for data with respect to countries other than the United States; the rate and performance data for other countries are not relevant in this docket.

sensitive nature were to be disclosed publicly, the Postal Service considers that it is quite likely that it would suffer commercial harm. Information about pricing and service performance is commercially sensitive, and the Postal Service does not believe that it would be disclosed under good business practices. Competitors could use the information to assess the rates charged by the Postal Service to foreign postal operators for any possible comparative vulnerabilities and focus sales and marketing efforts on those areas, to the detriment of the Postal Service. The Postal Service considers this to be a highly probable outcome that would result from public disclosure of the redacted material.

The financial work papers include specific information such as costs, projections of variables, and cost coverage. All of this information is highly confidential in the business world. If this information were made public, the Postal Service's competitors would have the advantage of being able to assess the Postal Service costs and pricing. Thus, competitors would be able to take advantage of the information to offer lower pricing to customers (which can include foreign posts, which are not required to use the Postal Service for delivery of parcels destined to the United States), while subsidizing any losses with profits from other customers. Eventually, this could freeze the Postal Service out of the relevant inbound delivery services market. Additionally, foreign postal operators or other potential customers could use costing information to their advantage in negotiating the terms of their own agreements with the Postal Service. Given that these spreadsheets are filed in their native format, the Postal Service's assessment is that the likelihood that the information would be used in this way is great.

Potential customers (which can include foreign posts) could also deduce from the rates provided in the work papers whether additional margin for net profit exists. From this information, each foreign postal operator or customer could attempt to negotiate ever-decreasing prices, such that the Postal Service's ability to negotiate competitive yet financially sound rates would be compromised.

Competitors could also exploit the non-public service performance and rate adjustment data. Such information is commercially sensitive, as it may reveal the relative strengths and weaknesses of the Postal Service. Competitors would gain a competitive advantage that the Postal Service lacks, as it would not have access to the same type of data of those competitors.

Volume and price information included in the financial spreadsheets and in the UPU IB Circular also consist of sensitive commercial information of foreign postal operators. Disclosure of such information could be used by competitors of a postal operator to assess the operators' underlying market size and its costs, and thereby develop a benchmark for the development of a competitive alternative.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Harm: Public disclosure of information in the rate charts, Governors' Decision Nos. 11-6 & 14-04, or financial work papers would be used by competitors and customers to the detriment of the Postal Service.

Hypothetical: A competing package delivery service obtains a copy of the unredacted version of the rate charts, formulas, and financial work papers from the Postal Regulatory Commission's website. It analyzes the data to determine what the Postal Service would have to charge its customers (which may include foreign posts) in order for the Postal Service to meet its minimum statutory obligations for cost coverage and

contribution to institutional costs. The competing package delivery service then sets its own rates for products similar to what the Postal Service offers other posts under that threshold and markets its ability to guarantee to beat the Postal Service on price for inbound air parcels. By sustaining this below-market strategy for a relatively short period of time, the competitor, or all of the Postal Service's competitors acting in a likewise fashion, would freeze the Postal Service out of the inbound air parcel delivery market.

Harm: Public disclosure of information in the rate charts or financial work papers would be used by a foreign postal operator's competitors to its detriment.

Hypothetical: A competing international delivery service obtains a copy of the unredacted version of the financial work papers from the Postal Regulatory Commission's website. The competitor analyzes the work papers to assess a foreign postal operator's underlying costs and volumes for the corresponding products. The competitor uses that information to assess the market potential and negotiate with U.S. customs brokers and freight companies to develop lower-cost alternatives.

Harm: Public disclosure of the data pertaining to the Postal Service's service performance bonuses and rate adjustments could be used by its competitors to its competitive detriment.

Hypothetical: A competing international delivery service obtains a copy of the unredacted version of the service performance data from the Postal Regulatory Commission's website. The competitor passes this information along to its sales and marketing functions. The competitor then uses this performance information to develop plans to compete more effectively against the Postal Service and/or to develop comparative advertising.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant market for inbound parcel delivery (including both private sector integrators and foreign postal operators), as well as their consultants and attorneys. Additionally, the Postal Service believes that foreign postal operators, as well as actual or potential customers of a postal operator for this or similar products should not be provided access to the non-public financial work papers.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

(8) Any other factors or reasons relevant to support the application.

UPU inward land rates and UPU service performance data are not available publicly. Rather, they are circulated to postal operators and government ministries through UPU International Bureau circulars and accessible on a password-protected website. Hence, they are considered by postal operators to be commercially sensitive.

Berne, 25 September 2017

International Bureau Circular

132Parcel post – Inward land rates applicable
from 1 January 2018

Dear Sir/Madam,

The purpose of this circular is to inform designated operators of the inward land rates (ILRs) applicable from 1 January 2018 until 30 June 2018. You will find the list of ILRs in Annex 1. These ILRs are based on the validation of parcel service features as prescribed in articles RC 195 and RC 196 of the Parcel Post Regulations (respectively, articles 32-201 and 32-202 of the new Regulations from 1 January 2018), and Postal Operations Council resolution CEP 10/2016.1.

The 2018 ILRs are based on the number of service features provided by designated operators (DOs), the achievement of performance targets, where relevant, and any requests for inflation adjustments submitted by DOs in accordance with the conditions stipulated in article RC 196 of the Parcel Post Regulations, as verified by the International Bureau.

DOs are reminded that the prerequisites for eligibility to receive bonus payments based on service features provided (see resolution CEP 10/2016.1) are as follows:

- compliance with the provisions in article 23 of the Convention (article 22 of the new Convention from 1 January 2018) relating to mandatory acceptance of liability for lost, rifled and damaged parcels;
- provision to the International Bureau of a sample of the UPU standard S10 item identifier;
- compliance with the rule on mandatory use of the UPU standard S10 item identifier as defined in article RC 167.1 of the Parcel Post Regulations (article 17-215.1 of the new Regulations from 1 January 2018);
- compliance with the condition of having an entry in the Parcel Post Compendium Online (PPCO).

A DO that does not meet all prerequisites will therefore receive only its base inward land rate (i.e. 71.4% of its 2004 inward land rates), plus any inflation-linked adjustment. The bonuses associated with the provision of parcel service features by individual DOs are outlined in Annex 2.

Any queries regarding the content of this circular should be sent to the Remuneration Programme to the attention of Mr Paul Schoorl, Remuneration Expert, at paul.schoorl@upu.int.

Yours faithfully,

Siva Somasundram
Director of Policy, Regulation and Markets

Annex 1

Complete list of inward land rates effective from 1 January 2018

<i>ISO</i>	<i>Designated operator (DO)</i>	<i>Rate per parcel (SDR)</i>	<i>Rate per kg (SDR)</i>
AF	Afghanistan – Surface parcels – Air parcels		
AL	Albania		
DZ	Algeria		
AO	Angola		
AG	Antigua and Barbuda		
AR	Argentina – Surface parcels – Air parcels		
AM	Armenia		
AW	Aruba		
AU	Australia – Surface parcels – Air parcels		
AT	Austria		
AZ	Azerbaijan		
BS	Bahamas – Surface parcels – Air parcels		
BH	Bahrain (Kingdom)		
BD	Bangladesh – Surface parcels – Air parcels		
BB	Barbados		
BY	Belarus		
BE	Belgium – Surface parcels – Air parcels		
BZ	Belize		
BJ	Benin		
BT	Bhutan		

<i>ISO</i>	<i>Designated operator (DO)</i>	<i>Rate per parcel (SDR)</i>	<i>Rate per kg (SDR)</i>
BO	Bolivia – Surface parcels – Air parcels		
BA	Bosnia and Herzegovina (JP BH Pošta)		
BA	Bosnia and Herzegovina (Pošte Srpske)		
BA	Bosnia and Herzegovina (Mostar)		
BW	Botswana		
BR	Brazil		
BN	Brunei Darussalam		
BG	Bulgaria (Rep.)		
BF	Burkina Faso		
BI	Burundi		
KH	Cambodia		
CM	Cameroon		
CA	Canada – Surface parcels – Air parcels		
CV	Cape Verde – Surface parcels – Air parcels		
CF	Central African Rep.		
TD	Chad – Surface parcels – Air parcels		
CL	Chile – Surface parcels – Air parcels		
CN	China (People's Rep.) – Surface parcels – Air parcels		
HK	– Hong Kong, China		
MO	– Macao, China		

<i>ISO</i>	<i>Designated operator (DO)</i>	<i>Rate per parcel (SDR)</i>	<i>Rate per kg (SDR)</i>
CO	Colombia – Surface parcels – Air parcels		
KM	Comoros		
CG	Congo (Rep.)		
CR	Costa Rica		
CI	Côte d'Ivoire (Rep.)		
HR	Croatia		
CU	Cuba – Surface parcels – Air parcels		
CW	Curaçao		
CY	Cyprus		
CZ	Czech Rep.		
KP	Dem. People's Rep. of Korea		
CD	Dem. Rep. of the Congo		
DK	Denmark		
DJ	Djibouti		
DM	Dominica		
DO	Dominican Republic		
EC	Ecuador – Surface parcels – Air parcels		
EG	Egypt – Surface parcels – Air parcels		
SV	El Salvador		
GQ	Equatorial Guinea		
ER	Eritrea		
EE	Estonia		
ET	Ethiopia		
FJ	Fiji		
FI	Finland		
AX	– Åland Islands		

ISO	Designated operator (DO)	Rate per parcel (SDR)	Rate per kg (SDR)
FR	France		
GF	– French Guiana		
PF	– French Polynesia		
GP	– Guadeloupe		
MQ	– Martinique		
YT	– Mayotte		
NC	– New Caledonia		
RE	– Réunion		
PM	– Saint Pierre and Miquelon		
WF	– Wallis and Futuna		
GA	Gabon – Surface parcels – Air parcels		
GM	Gambia		
GE	Georgia		
DE	Germany		
GH	Ghana		
GB	Great Britain		
AI	– Anguilla		
AC	– Ascension		
BM	– Bermuda		
VG	– British Virgin Islands		
KY	– Cayman Islands		
FK	– Falkland Islands (Malvinas)		
GI	– Gibraltar		
MS	– Montserrat		
PN	– Pitcairn Islands		
SH	– St Helena		
TA	– Tristan da Cunha		
TC	– Turks and Caicos Islands		
GR	Greece		
GD	Grenada		
GT	Guatemala		
GN	Guinea		
GW	Guinea-Bissau		

ISO	Designated operator (DO)	Rate per parcel (SDR)	Rate per kg (SDR)
GY	Guyana – Surface parcels – Air parcels		
HT	Haiti		
HN	Honduras (Rep.) – Surface parcels – Air parcels		
HU	Hungary		
IS	Iceland		
IN	India – Surface parcels – Air parcels		
ID	Indonesia – Surface parcels – Air parcels		
IR	Iran (Islamic Rep.) – Surface parcels – Air parcels		
IQ	Iraq		
IE	Ireland		
IL	Israel		
IT	Italy		
JM	Jamaica		
JP	Japan		
JO	Jordan		
KZ	Kazakhstan – Surface parcels – Air parcels		
KE	Kenya		
KI	Kiribati		
KR	Korea (Rep.)		
KW	Kuwait		
KG	Kyrgyzstan		
LA	Lao People's Dem. Rep.		
LV	Latvia		
LB	Lebanon		
LS	Lesotho		
LR	Liberia		

<i>ISO</i>	<i>Designated operator (DO)</i>	<i>Rate per parcel (SDR)</i>	<i>Rate per kg (SDR)</i>
LY	Libya – Surface parcels – Air parcels		
LI	Liechtenstein		
LT	Lithuania		
LU	Luxembourg		
MG	Madagascar		
MW	Malawi		
MY	Malaysia		
MV	Maldives		
ML	Mali		
MT	Malta		
MR	Mauritania		
MU	Mauritius		
MX	Mexico – Surface parcels – Air parcels		
MD	Moldova		
MN	Mongolia		
ME	Montenegro		
MA	Morocco		
MZ	Mozambique – Surface parcels – Air parcels		
MM	Myanmar – Surface parcels – Air parcels		
NA	Namibia		
NR	Nauru		
NP	Nepal		
NL	Netherlands		
BQ	– Bonaire, Saba and Sint Eustatius		

ISO	Designated operator (DO)	Rate per parcel (SDR)	Rate per kg (SDR)
NZ	New Zealand – Surface parcels – Air parcels		
CK	– Cook Islands • Surface parcels • Air parcels		
NI	Nicaragua		
NE	Niger		
NG	Nigeria		
NO	Norway		
OM	Oman		
PK	Pakistan – Surface parcels – Air parcels		
PS	Palestine		
PA	Panama (Rep.)		
PG	Papua New Guinea		
PY	Paraguay – Surface parcels – Air parcels		
PE	Peru – Surface parcels – Air parcels		
PH	Philippines – Surface parcels – Air parcels		
PL	Poland		
PT	Portugal		
QA	Qatar		
RO	Romania – Surface parcels – Air parcels		
RU	Russian Federation – Surface parcels – Air parcels		
RW	Rwanda		
KN	Saint Christopher (St Kitts) and Nevis		
LC	Saint Lucia		

ISO	Designated operator (DO)	Rate per parcel (SDR)	Rate per kg (SDR)
VC	Saint Vincent and the Grenadines		
WS	Samoa		
ST	Sao Tome and Principe		
SA	Saudi Arabia – Surface parcels – Air parcels		
SN	Senegal		
RS	Serbia		
SC	Seychelles		
SL	Sierra Leone		
SG	Singapore		
SX	Sint Maarten		
SK	Slovakia		
SI	Slovenia		
SB	Solomon Islands		
SO	Somalia		
ZA	South Africa – Surface parcels – Air parcels		
SS	South Sudan		
ES	Spain		
LK	Sri Lanka		
SD	Sudan – Surface parcels – Air parcels		
SR	Suriname		
SZ	Swaziland		
SE	Sweden		
CH	Switzerland		
SY	Syrian Arab Rep.		
TJ	Tajikistan		
TZ	Tanzania (United Rep.)		

ISO	Designated operator (DO)	Rate per parcel (SDR)	Rate per kg (SDR)
TH	Thailand – Surface parcels – Air parcels		
MK	the former Yugoslav Republic of Macedonia		
TL	Timor-Leste (Dem. Rep.)		
TG	Togo		
TO	Tonga (including Niuafo'ou)		
TT	Trinidad and Tobago		
TN	Tunisia		
TR	Turkey – Surface parcels – Air parcels		
TM	Turkmenistan		
TV	Tuvalu		
UG	Uganda		
UA	Ukraine		
AE	United Arab Emirates		
US	United States of America – Surface parcels – Air parcels		
UY	Uruguay		
UZ	Uzbekistan		
VU	Vanuatu		
VA	Vatican		
VE	Venezuela (Bolivarian Rep.) – Surface parcels – Air parcels		
VN	Viet Nam – Surface parcels – Air parcels		
YE	Yemen – Surface parcels – Air parcels		

<i>ISO</i>	<i>Designated operator (DO)</i>	<i>Rate per parcel (SDR)</i>	<i>Rate per kg (SDR)</i>
ZM	Zambia – Surface parcels – Air parcels		
ZW	Zimbabwe		

Parcel service features provided by designated operators (DOs) (For a complete description of the service features, see article RC 195 of the Parcel Post Regulations)

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/ PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
H/I events	Bonus											
AF	Afghanistan											
AL	Albania											
DZ	Algeria											
AO	Angola											
AG	Antigua and Barbuda ¹											
AR	Argentina											
AM	Armenia											
AW	Aruba											
AU	Australia											
AT	Austria											
AZ	Azerbaijan											
BS	Bahamas											
BH	Bahrain											
BD	Bangladesh											
BB	Barbados											
BY	Belarus											
BE	Belgium											
BZ	Belize											
BJ	Benin											
BT	Bhutan											
BO	Bolivia											

¹ DO does not meet the prerequisites indicated in article RC 195.3.1 of the Parcel Post Regulations.

[illegible]

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/ PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
CR	Costa Rica											
CI	Côte d'Ivoire (Rep.)											
HR	Croatia											
CU	Cuba											
CW	Curaçao											
CY	Cyprus											
CZ	Czech Rep.											
KP	Dem. People's Rep. of Korea ²											
CD	Dem. Rep.of the Congo											
DK	Denmark											
DJ	Djibouti											
DM	Dominica											
DO	Dominican Republic											
EC	Ecuador											
EG	Egypt											
SV	El Salvador											
GQ	Equatorial Guinea ²											
ER	Eritrea											
EE	Estonia											
ET	Ethiopia											
FJ	Fiji											
FI	Finland											
AX	– Åland Islands ²											
FR	France											

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/ PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
GF	– French Guiana											
PF	– French Polynesia											
GP	– Guadeloupe											
MQ	– Martinique											
YT	– Mayotte											
NC	– New Caledonia											
RE	– Réunion											
PM	– Saint Pierre and Miquelon											
WF	– Wallis and Futuna ³											
GA	Gabon											
GM	Gambia											
GE	Georgia											
DE	Germany											
GH	Ghana											
GB	Great Britain											
AI	– Anguilla											
AC	– Ascension											
BM	– Bermuda											
VG	– British Virgin Islands											
KY	– Cayman Islands											
FK	– Falkland Islands (Malvinas)											
GI	– Gibraltar											
MS	– Montserrat ³											
PN	– Pitcairn Islands ³											

[REDACTED]

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/ PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
SH	– St Helena											
TA	– Tristan da Cunha											
TC	– Turks and Caicos Islands ⁴											
GR	Greece											
GD	Grenada											
GT	Guatemala											
GN	Guinea											
GW	Guinea-Bissau ⁴											
GY	Guyana											
HT	Haiti											
HN	Honduras (Rep.) ⁴											
HU	Hungary (Rep.)											
IS	Iceland											
IN	India											
ID	Indonesia											
IR	Iran (Islamic Rep.)											
IQ	Iraq											
IE	Ireland											
IL	Israel											
IT	Italy											
JM	Jamaica											
JP	Japan											
JO	Jordan											

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/ PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
KZ	Kazakhstan (Kazpost)											
KE	Kenya											
KI	Kiribati											
KR	Korea (Rep.)											
KW	Kuwait											
KG	Kyrgyzstan											
LA	Lao People's Dem. Rep.											
LV	Latvia											
LB	Lebanon											
LS	Lesotho											
LR	Liberia											
LY	Libya											
LI	Liechtenstein											
LT	Lithuania											
LU	Luxembourg											
MG	Madagascar											
MW	Malawi											
MY	Malaysia											
MV	Maldives											
ML	Mali											
MT	Malta											
MR	Mauritania											
MU	Mauritius											
MX	Mexico											
MD	Moldova											
MN	Mongolia											
ME	Montenegro											
MA	Morocco											

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/ PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
MZ	Mozambique											
MM	Myanmar											
NA	Namibia											
NR	Nauru ⁵											
NP	Nepal											
NL	Netherlands											
BQ	– Bonaire, Saba and Sint Eustatius											
NZ	New Zealand											
CK	– Cook Islands											
NI	Nicaragua											
NE	Niger											
NG	Nigeria											
NO	Norway											
OM	Oman											
PK	Pakistan											
PS	Palestine											
PA	Panama (Rep.)											
PG	Papua New Guinea											
PY	Paraguay											
PE	Peru											
PH	Philippines											
PL	Poland											
PT	Portugal											
QA	Qatar											
RO	Romania											

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
RU	Russian Federation											
RW	Rwanda											
KN	Saint Christopher (Saint Kitts) and Nevis											
LC	Saint Lucia											
VC	Saint Vincent and the Grenadines											
WS	Samoa											
ST	Sao Tomé and Príncipe											
SA	Saudi Arabia											
SN	Senegal											
RS	Serbia											
SC	Seychelles											
SL	Sierra Leone											
SG	Singapore											
SX	Sint Maarten											
SK	Slovakia											
SI	Slovenia											
SB	Solomon Islands											
SO	Somalia ⁶											
ZA	South Africa											
SS	South Sudan											
ES	Spain											
LK	Sri Lanka											
SD	Sudan											
SR	Suriname											



ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%					Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%			RESDES/PREDES messages – Bonus: 5%	Bonus for on-time responses – 3%	Bonus for opening requests received – 1%
SZ	Swaziland										
SE	Sweden										
CH	Switzerland										
SY	Syrian Arab Rep.										
TJ	Tajikistan										
TZ	Tanzania (United Rep.)										
TH	Thailand										
MK	the former Yugoslav Republic of Macedonia										
TL	Timor-Leste (Dem. Rep.)										
TG	Togo										
TO	Tonga (including Niuafu'ou)										
TT	Trinidad and Tobago										
TN	Tunisia										
TR	Turkey										
TM	Turkmenistan										
TV	Tuvalu ⁷										
UG	Uganda										
UA	Ukraine										
AE	United Arab Emirates										
US	United States of America										
UY	Uruguay										

ISO	Designated operator	Bonus for service feature 1 – Track and trace: 25%						Bonus for service feature 2 – Home delivery: 5%	Bonus for service feature 3 – Delivery standards: 5%	Bonus for service feature 4 – IBIS: 5%		
		C events – Bonus: 2%	D events – Bonus: 2%	H/I over D		E and F events – Bonus: 5%	RESDES/PREDES messages – Bonus: 5%			Bonus for on-time responses – 3%	Bonus for opening requests received – 1%	Bonus for opening replies received – 1%
UZ	Uzbekistan											
VU	Vanuatu											
VA	Vatican											
VE	Venezuela (Bolivarian Rep.)											
VN	Viet Nam											
YE	Yemen											
ZM	Zambia											
ZW	Zimbabwe											

Certification of Prices for Inbound Parcel Post (at UPU Rates)

I, Steven R. Phelps, Manager of Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for Inbound Parcel Post (at UPU Rates). The prices were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued March 22, 2011 (Governors' Decision No. 11-6), and the Decision of the Governors of the United States Postal Service on Changes in Rates and Classes for Inbound Surface Parcel Post (at UPU Rates), issued June 18, 2014 (Governors' Decision No. 14-04).

I hereby certify that the numerical cost values underlying the prices for Inbound Parcel Post (at UPU Rates) are the appropriate costs to use in the formulas and represent the best available information. The prices demonstrate that Inbound Parcel Post (at UPU Rates) should cover its attributable costs and preclude the subsidization of competitive products by market-dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Inbound Parcel Post (at UPU Rates) should be even smaller. Inbound Parcel Post (at UPU Rates) should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Steven R. Phelps

Digitally signed by Steven R. Phelps
DN: cn=Steven R. Phelps, o=United States
Postal Service, ou=Pricing & Costing,
email=steven.r.phelps@usps.gov, c=US
Date: 2017.12.12 09:47:03 -05'00'

Steven R. Phelps

Date

Dear All (Veuillez voir ci-après la version en français du présent message),

Please find attached the six-month Parcels Performance Measurement Report which is used for the assessment of the 1 January 2018 inward land rates in relation to the eligibility of individual designated operators to receive the bonuses associated with track and trace and IBIS. The enclosed report covers the period from 1 February to 31 July 2017. The Consolidated “Inbound Performance Report” and the Consolidated “Outbound Performance report” are used to assess operators’ eligibility to receive bonuses for 1 January 2018 ILRs as follows:

	ILR BONUS SYSTEM FOR 2018			
	Events EMC, EMD	Events EME and EMF	PREDES and RESDES	EMH / EMI over EMD Ratio
Operational definition	Exchanges with all partners, EMSEVT messages relating to EMC and EMD, for both inbound and outbound parcels	Transmission of EME and EMF events	Transmission of PREDES and RESDES messages ¹	Percentage of parcels that receive an EMD event should have an event EMH and/or EMI
Performance targets	<u>Related to EMC events</u> Minimum ratios of 80%: - EMC over EMD; - EMC transmitted within 24 elapsed hours; <u>Related to EMD events</u> Minimum ratios of 60%: - EMD over EMC; - EMD transmitted within 24 elapsed hours	Minimum ratio of 80%: - EMF over EME events. - EMF transmitted within 24 elapsed hours	1. Minimum number of partners receiving PREDES messages: 5 2. Minimum RESDES over PREDES ratio: 80% 2.1 PREDES messages transmitted within 24 elapsed hours. 2.2 RESDES messages transmitted within 24 elapsed hours.	Minimum range ratio from 80% to 90%: - EMH/EMI over EMD events; - EMH/EMI transmitted within 48 hours of the event time and date
Bonus percentage	2% for EMC 2% for EMD	5%	5%	1% for 80% Perf. 6% for 85% Perf. 2% for 81% Perf. 7% for 86% Perf. 3% for 82% Perf. 8% for 87% Perf. 4% for 83% Perf. 9% for 88% Perf 5% for 84% Perf. 10% for 89% Perf 11% for 90% Perf. or higher
References to the Regulations	Articles RC 168.1.1, RC 169, RC 170 1.1 and RC 195.4.1.1.1 and 195.4.1.1.2 of the Parcel Post Regulations and Resolution CEP 10/2016.1	Articles RC 168.1.1, RC 169, and RC 195.4.1.2 of the Parcel Post Regulations and Resolution CEP 10/2016.1	Articles RC 168.2, RC 169.2, and RC 195.4.1.3 of the Parcel Post Regulations and Resolution CEP 10/2016.1	Articles RC 168.1.1, RC 169, RC 170.1.2, and RC 195.4.1.1.3 of the Parcel Post Regulations and Resolution CEP 10/2016.1

¹ Since 1 February 2016 the use of PREDES (version 2.1 or later) and RESDES (version 1.1 or later) is mandatory according to RC 168 of the Parcel Post Regulations. Therefore, only PREDES 2.1 or later and RESDES 1.1 or later messages are considered in the six-month Parcels Performance Measurement Report.

In addition, you will also find enclosed the Internet-based Inquiry System (IBIS) six-month report. This report is used by the International Bureau to assess operators' eligibility to receive the total of 5% bonus associated with the use of IBIS as defined in RC 150.3ter and RC 195.4.4:

- 3% for achieving the target of 90% on-time responses to inquiries.
- 1% for opening requests received (within a maximum average time of 16 working hours).
- 1% for opening replies received (within a maximum average time of 16 working hours).

For further information on these reports, please contact: parcels@upu.int

However, if you received this report in error, please inform the PTC helpdesk, ptc.support@upu.int.

Best regards,

Quality Improvement Programme Team

Chers tous,

Veuillez trouver ci-joint le rapport semestriel d'évaluation des performances pour les colis postaux qui seront utilisé pour l'évaluation des performances à partir du 1 janvier 2018 permettant de déterminer le droit individuelle des opérateurs désignés de recevoir des primes relatives au système de suivi et localisation et au système de réclamations par Internet (SRI). Le rapport couvre la période allant du 1^{er} février au 31 juillet 2017. Les rapports consolidés d'évaluation des performances concernant les envois arrivants et les envois partants sont utilisées pour évaluer le droit des opérateurs à recevoir des primes au titre des quotes-parts territoriales d'arrivée de 1^{er} janvier 2018, comme suit:

	SYSTÈME DE PRIME POUR LES QUOTES-PARTS TERRITORIALES D'ARRIVÉE 2018			
	Événements EMC, EMD	Événements EME et EMF	PREDES et RESDES	EMH / EMI par rapport à EMD
Définition opérationnelle	Echange avec tous ses partenaires des messages EMSEVT concernant les événements EMC et EMD, tant pour les colis arrivants que pour les colis partants	Transmission de données relatives aux événements EME et EMF	Transmission de messages PREDES et RESDES ²	Le pourcentage des colis associés à un événement EMD, devrait avoir un événement EMH et/ou EMI
Objectifs en matière de performances	<p><u>Événements EMC</u></p> <p>Rapport minimal de 80%:</p> <ul style="list-style-type: none"> entre les données concernant les événements EMC et les données concernant les événements EMD; pour les données relatives aux événements EMC transmises dans un délai de vingt-quatre heures. <p><u>Événements EMD</u></p> <p>Rapport minimal de 60%:</p> <ul style="list-style-type: none"> entre les données concernant les événements EMD et les données concernant les événements EMC; pour les données relatives aux événements EMD transmises dans un délai de vingt-quatre heures. 	<p>Rapport minimal de 80%:</p> <ul style="list-style-type: none"> entre les données concernant les événements EMF et les données concernant les événements EME; pour les données relatives aux événements EMF transmises dans un délai de vingt-quatre heures. 	<p>1. Nombre minimal de partenaires recevant des messages PREDES: 5.</p> <p>2. Rapport minimal entre les messages RESDES et les messages PREDES: 80%.</p> <p>2.1 Messages PREDES transmis dans un délai de vingt-quatre heures.</p> <p>2.2 Messages RESDES transmis dans un délai de vingt-quatre heures.</p>	<p>Intervalles compris entre 80% et 90%:</p> <ul style="list-style-type: none"> entre les données concernant les événements EMH/EMI et les données concernant les événements EMD; pour les données relatives aux événements EMH/EMI transmises dans un délai quarante-huit heures.

² Depuis le 1er février 2016 l'utilisation de PREDES (version 2.1 ou ultérieure) et RESDES (version 1.1 ou ultérieure) est obligatoire conformément à l'article RC 168 du Règlement des colis postaux. Par conséquent, seuls les messages PREDES 2.1 ou version ultérieure et RESDES 1.1 ou version ultérieure sont pris en compte dans le rapport de performance des colis pour les six mois.

Percentage de prime	2% pour les événements EMC 2% pour les événements EMD	5%	5%	1% pour 80% Perf. 6% pour 85% Perf. 2% pour 81% Perf. 7% pour 86% Perf. 3% pour 82% Perf. 8% pour 87% Perf. 4% pour 83% Perf. 9% pour 88% Perf. 5% pour 84% Perf. 10% pour 89% Perf. 11% pour 90% Perf. ou plus haute
Référence aux Règlements	articles RC 168.1.1, RC 169, RC 170.1.1 et RC 195.4.1.1 et RC 195.4.1.2 du Règlement des colis postaux et Résolution CEP 10/2016.1	articles RC 168.1.1, RC 169 et RC 195.4.1.2 du Règlement des colis postaux et Résolution CEP 10/2016.1	articles RC 168.2, RC 169.2 et RC 195.4.1.3 du Règlement des colis postaux et Résolution CEP 10/2016.1	articles RC 168.1.1, RC 169, RC 170.1.2 et RC 195.4.1.4 du Règlement des colis postaux et Résolution CEP 10/2016.1

Vous trouverez également ci-joint le rapport semestriel relatif au système de réclamations par Internet (SRI). Ce rapport est utilisé par le Bureau international pour évaluer le droit des opérateurs à recevoir la prime total de 5% pour utiliser le SRI comme défini dans RC 150.3ter et RC 195.4.4.

- 3% bonus pour 90% de réponses dans les délais.
- 1% bonus pour ouvrir les requêtes reçues (dans un délai maximal moyen de seize heures ouvrables).
- 1% bonus pour ouvrir les réponses reçues (dans un délai maximal moyen de seize heures ouvrables).

Pour plus d'informations sur les rapports, veuillez contacter : parcels@upu.int

Si ce rapport ne vous était pas destiné, veuillez en informer le service d'assistance du CTP : ptc.support@upu.int.

Veuillez agréer, Madame, Monsieur, l'assurance de notre haute considération.

L'Équipe du Programme «Amélioration de la qualité» de l'UPU



6-Months Parcels Measurement Reports

(Prepared by the Universal Postal Union)

2017-08-22 07:00 (UTC/GMT)

Period: February 2017 - July 2017

Explanation of measurements:

The reports show the measured performance of all parcels (Air, Surface and SAL) for the specified period and cover the EDI data received by the International Post Corporation (IPC) and the UPU Postal Technology Centre (PTC) by the 10th day of the following month. The measurement of performance is item specific (events relate to the same parcel) so as to avoid double counting of scanned events. For detailed information on the parcel measurement reports, a Guide to the Parcels reports is available at the UPU website: <http://www.upu.int/en/activities/parcels/publications.html>

Since the transportation for Surface and SAL parcels can take a considerable amount of time, the calculations of cross-border ratios use a special algorithm that also takes into account data in respect of all items despatched from outward office of exchange (Event EMC) other outbound events – EMA or EMB) from the previous two months. This is to allow sufficient time for all the information concerned to be captured into the database. Under such circumstances, the calculation of the following two ratios is not item specific:

- Items arriving at inward office of exchange (Event EMD) as a percentage of parcels despatched from outward office of exchange (Event EMC)
- Items attempted/unsuccesfully delivered and finally delivered (Events EMH/EMI) as a percentage of parcels despatched from outward office of exchange (Event EMC)
- items with a scanned EMD event as a percentage of parcels sent by the originating operator during the selected month (Events EMA, EMB, or EMC)

The performance reports comprise the following four sets of reports:

- All Operators Inbound Performance Report: Your inbound performance compared to your partners' inbound performance.
- All Operators Outbound Performance Report: Your outbound performance compared to your partners' outbound performance.
- Outbound Item Report: (each Delivery Operator's performance on parcels sent from the Originating Operator) – This report shows how other operators perform for parcels originated from your country.
- Inbound Item Report: (The Delivery Operator's performance on parcels received from each Originating Operator) – This report shows how you perform for parcels received from other countries.

Each set of these reports is made up of the following four separate reports to show the performance of the different categories of parcels:

- Consolidated Report (All parcels)
- Air (Priority) Report
- Surface/SAL Report
- Report on Parcels with no PREDES V2.1 information (It is not possible to identify whether these parcels are Air [Priority] or Surface/SAL parcels)

The separate reports for Air (Priority) and Surface/SAL parcels can only be produced for those operators that transmit PREDES V2.1 messages.

Measurable events and messages:

The events measured in the reports include:

Event EMA	- posting / collection
Event EMB	- arrival at outward office of exchange
Event EMC	- departure from outward office of exchange
Event EMD	- arrival at inward office of exchange
Event EME	- held by Customs - (handed over to Customs)
Event EMF	- departure from inward office of exchange – (released from Customs)
Event EMH	- unsuccessful delivery - (attempted / unsuccessful delivery)
Event EMH without EMI	- attempted / unsuccessful delivery with no final delivery scans
Event EMI	- final delivery

Event EMJ	- arrival at transit office of exchange
Event EMK	- departure from transit office of exchange

The messages measured in the reports include:

PREDES V2.1	- pre-advice of despatch prepared
RESDES V1.1	- administration confirmation of despatch receipt

NOTE: Events EMC, EMD, EMH, and EMI are mandatory scans in accordance with Art. RC 168 of the Parcel Post Regulations



6-Months Parcels Measurement Reports

(Prepared by the Universal Postal Union)

Performance Reports:

1. All Operators Inbound Performance Report

This set of reports show the aggregated performance of all operators in processing all their inbound parcels.

The percentage figures are calculated based on the number of parcels with a particular event over the same parcels with another event. The performance results include:

Scanning performance (%)

- Event EMD over items sent*. Minimum performance targets are approved by POC (refer to Parcel Post Manual). An item is considered sent if it has one of the outbound EMSEVT events: EMA, EMB or EMC transmitted.
- Event EMD over Event EMC*. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMF over Event EME. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMH/EMI over Event EMC*
- Event EMH/EMI over Event D. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMI over Event EMD
- Event EMH no EMI over Event EMD
- Event EMK over Event EMJ
- RESDES V1.1 over PREDES V2.1. Minimum performance targets are approved by POC (refer to Parcel Post Manual).

Transmission (%) – Event scans

- Event EMD transmitted within 24 hours
- Event EMH or EMI transmitted within 48 hours
- Event EMF transmitted within 24 hours
- RESDES messages transmitted within 24 hours

Delivery performance (%) – Time between EMD and EMH/EMI

- Percentage of parcels taking between 2 to 10 or more calendar days for delivery, excluding the time parcels are held in Customs. The data shown are cumulative figures.
- No delivery information - Percentage of parcels that do not have attempted or final delivery information
- Out of sequence - Percentage of parcels with scan events that are not in chronological order. These items are excluded from the performance calculation.

Note:

* The interpretation of possible results for this ratio are:

- When the result is less than 100%, the Delivery Operator is not capturing all its inbound parcels
- When the result is equal to 100%, the Delivery Operator is capturing all its inbound parcels
- When the result is more than 100%, the Originating Operator is not capturing all its outbound parcels

2. All Operators Outbound Performance Report

This set of reports shows the aggregated performance of all operators in processing their outbound parcels.

The percentage figures are calculated based on the number of parcels with a particular event over the same parcels with another event. The performance results include:

Scanning performance (%)

- Event EMC over items received. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMC over EMD. Minimum performance targets are approved by POC (refer to Parcel Post Manual).

Transmission (%) – Event scans

- Event EMC transmitted within 24 hours
- PREDES messages transmitted within 24 hours



6-Months Parcels Measurement Reports

(Prepared by the Universal Postal Union)

2017-08-22 07:00 (UTC/GMT)

3. Inbound Item Report

This set of reports shows the performance of the Delivery Operator on parcels from each Originating Operator. This includes:

Parcels with events received by Delivery Operator

- Number of parcels received from each Originating Operator (based on Events EMA, EMB and EMC)
- Number of parcels received from each Originating Operator with information on:
 - Event EMA
 - Event EMC

Parcels with events sent to partners

- Number of parcels from each Originating Operator arriving at the inward OE (based on Events EMD to EMI)
- Number of parcels processed by the Delivery Operator with information on:
 - Event EMD
 - Event EME
 - Event EMF
 - Event EMH
 - Event EMI

Scanning performance (%)

- Event EMD over items sent*. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EME over Event EMD
- Event EMF over Event EME. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMH/EMI over Event EMD. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMH no EMI over Event EMD

Delivery performance (%) – Time between EMD and EMH/EMI

- Percentage of parcels taking between 2 to 10 or more calendar days for delivery, excluding the time parcels are held in Customs. The data shown are cumulative figures.

No information - No delivery information

- Number of parcels with no attempted or final delivery information

Note:

- * The interpretation of possible results for this ratio are

- When the result is less than 100%, the Delivery Operator is not capturing all its inbound parcels

- When the result is equal to 100%, the Delivery Operator is capturing all its inbound parcels
- When the result is more than 100%, the Originating Operator is not capturing all its inbound parcels

4. Outbound Item Report

This set of reports show the performance of each Delivery Operator on parcels from the Originating Operator. This includes:

Parcels with events sent by Originating Operator

- Number of parcels sent to each Delivery Operator (based on Events EMA, EMB and EMC)
- Number of parcels sent to each Delivery Operator with information on:
 - Event EMA
 - Event EMC

Parcels with events received from partners

- Number of parcels arriving at the inward OE of the Delivery Operator (based on Events EMD to EMI)
- Number of parcels processed by the Delivery Operator with information on:
 - Event EMD
 - Event EME
 - Event EMF
 - Event EMH
 - Event EMI

Scanning performance (%)

- Event EMD over items sent*. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EME over Event EMD
- Event EMF over Event EME. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMH/EMI over Event EMD. Minimum performance targets are approved by POC (refer to Parcel Post Manual).
- Event EMH no EMI over Event EMD

Delivery performance (%) – Time between EMD and EMH/EMI

- Percentage of parcels taking between 2 to 10 or more calendar days for delivery, excluding the time parcels are held in Customs. The data shown are cumulative figures.

No information - No delivery information

- Number of parcels with no attempted or final delivery information



6-Months Parcels Measurement Reports

QCS Mail 2.5 © Copyright UPU 2007-2010, v5.1

(Prepared by the Universal Postal Union)

Attachment 4 to Postal Service Notice
PRC Docket Nos. CP2018-84
Inbound Outbound Performance Report
All Operators

2017-08-22 07:00 (UTC/GMT)

Inbound Performance Report, February 2017 - July 2017

Consolidated	Scanning performance (%)									Transmission (%)				Messages	Delivery performance (%)									
										Event scans				REDES partners	Time between EMD and EMH/EMI (in calendar days)									
Delivery Operator	EMD/ items sent*	EMD/ EMC*	EMF/ EME	EMH or EMI /EMC*	EMH or EMI /EMD	EM/ EMD	EMH no EMI /EMD	EMK/ EMJ	REDES over PREDES	EMD < 24hrs	EMH-EMI < 48hrs	EMF < 24hrs	REDES < 24hrs	No. of REDES partners	< 2 days	< 3 days	< 4 days	< 5 days	< 6 days	< 7 days	< 10 days	> 10 days	No deliv. info.	Out of sequence
SBA																								
SCA																								
SDA																								
SEA																								
SGA																								
SIA																								
SKA																								
SLA																								
SNA																								
SRA																								
SVA																								
SYA																								
SZA																								
TCA																								
TGA																								
THA																								
TLA																								
TMA																								
TNA																								
TOA																								
TRA																								
TTA																								
TVA																								
TZA																								
UAA																								
UGA																								
UPU																								
USA																								
UYA																								



6-Months Parcels Measurement Reports

(Prepared by the Universal Postal Union)

Inbound Outbound Performance Report

Attachment 4 to Postal Service Notice
All Operators
PRC Docket Nos. CP2018-84
2017-08-22 07:00 (UTC/GMT)

Inbound Performance Report, February 2017 - July 2017

Consolidated	Scanning performance (%)									Transmission (%)				Messages	Delivery performance (%)											
										Event scans				RESDES partners	Time between EMD and EMH/EMI (in calendar days)										No deliv. info.	Out of sequence
	Delivery Operator	EMD/ items sent*	EMD/ EMC*	EMF/ EME	EMH or EMI /EMC*	EMH or EMI /EMD	EMI/ EMD	EMH no EMI /EMD	EMK/ EMJ	RESDES over PREDES	EMD < 24hrs	EMH-EMI < 48hrs	EMF < 24hrs	RESDES < 24hrs	No. of RESDES partners	< 2 days	< 3 days	< 4 days	< 5 days	< 6 days	< 7 days	<10 days	>10 days			
UZA																										
VAA																										
VCA																										
VEA																										
VGA																										
VNA																										
VUA																										
WSA																										
YEA																										
ZAA																										
ZMA																										
ZWA																										
Total																										

Note:



6-Months Parcels Measurement Reports

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(Prepared by the Universal Postal Union)

Attachment 4 to Postal Service Notice
PRC Docket Nos. CP2018-84
Inbound Outbound Performance Report
All Operators
2017-08-22 07:00 (UTC/GMT)

Outbound Performance Report, February 2017 - July 2017

Consolidated	Scanning performance (%)		Transmission (%)		Messages
			Event scans		
Originating Operator	EMC / items received	EMC/EMD	EMC < 24hrs	PREDES < 24hrs	No. of PREDES partners
SGA					
SIA					
SKA					
SLA					
SNA					
SRA					
SVA					
SYA					
SZA					
TCA					
TGA					
THA					
TLA					
TMA					
TNA					
TOA					
TRA					
TTA					
TVA					
TZA					
UAA					
UGA					
UPU					
USA					
UYA					
UZA					
VAA					
VCA					
VEA					
VGA					

IBIS for Parcels

Global Customer Service System © IPC

Parcels Customer Service Performance Consolidated Report

Reporting period 01/02/2017 - 31/07/2017

Creation date 02/08/2017 © IPC

Partner		As replying partner								
		Timeliness		Quality						
		On-time reply (Reply time standards)	Time to open requests received	Workflow Resolution			Workflow duration (< 30 working days)			
				Inquiries received	On-time reply	Average time to open	Workflow received	1 Level Resolution	Reactivation	Average duration
ISO	Country name	#	%	working hours	#	%	%	working days	%	#
MX	Mexico									
MY	Malaysia									
NA	Namibia									
NC	New Caledonia									
NG	Nigeria									
NI	Nicaragua									
NL	Netherlands									
NO	Norway									
NP	Nepal									
NZ	New Zealand									
OM	Oman									
PA	Panama									
PE	Peru									
PF	French Polynesia									
PG	Papua New Guinea									
PH	Philippines									
PK	Pakistan									
PL	Poland									
PT	Portugal									
PY	Paraguay									
QA	Qatar									
QM	Bosnia and Herzegovina									
QN	Bosnia and Herzegovina									
RO	Romania									
RS	Serbia									
RU	Russian Federation									
RW	Rwanda									
SA	Saudi Arabia									
SB	Solomon Islands									
SC	Seychelles									
SD	Sudan									
SE	Sweden									
SG	Singapore									
SI	Slovenia									
SK	Slovakia									
SL	Sierra Leone									
SN	Senegal									
SR	Suriname									
SV	El Salvador									
SY	Syria									
SZ	Swaziland									
TD	Tchad									
TG	Togo									
TH	Thailand									
TN	Tunisia									
TO	Tonga									
TR	Turkey									
TT	Trinidad and Tobago									
TZ	Tanzania									
UA	Ukraine									
UG	Uganda									
US	United States									
UY	Uruguay									

As requesting partner								
Timeliness			Quality					
On-time reply (Reply time standards)		Time to open replies received	Workflow Resolution			Workflow duration (< 30 working days)		
Inquiries sent	On-time reply	Average time to open	Workflows sent	1 Level Resolution	Reactivation	Average duration	Closed cases	Excessive duration (> 30 working days)
#	%	working hours	#	%	%	working days	%	#

LEA EMERSON
EXECUTIVE DIRECTOR
INTERNATIONAL POSTAL AFFAIRS



August 17, 2017

Mr. Paul Schoorl
Economic and Regulatory Affairs Directorate
UPU International Bureau
P.O. Box 312
3000 Berne 15
SWITZERLAND

Fax: +41 31 350 31 10

Dear Mr. Schoorl:

The United States wishes to claim an adjustment for inflation to its base inward land rates for the delivery of parcels.

Enclosed is an excerpt from the U.S. Department of Labor's Bureau of Labor Statistics that records the consumer price index (CPI-U) for the United States as of July. This same official source also contains the percent change in the U.S. consumer price index from July 2016 to July 2017.

We request U.S. inward land rates receive an inflation adjustment of 1.7 percent over the term, as documented in this official U.S. government source recording the annual change in the U.S. consumer price index (July 2016 until July 2017).

<u>Year</u>	<u>July</u>
2016	240.7
2017	244.8

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Lea Emerson". The signature is fluid and cursive, with the first name "Lea" being more prominent.

Lea Emerson

Enclosure

cc: Joe Murphy, U.S. State Department

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category, July 2017

[1982-84=100, unless otherwise noted]

Expenditure category	Relative importance Jun. 2017	Unadjusted indexes			Unadjusted percent change		Seasonally adjusted percent change		
		Jul. 2016	Jun. 2017	Jul. 2017	Jul. 2016- Jul. 2017	Jun. 2017- Jul. 2017	Apr. 2017- May 2017	May 2017- Jun. 2017	Jun. 2017- Jul. 2017
All items.....	100.000	240.628	244.955	244.786	1.7	-0.1	-0.1	0.0	0.1
Food.....	13.628	247.554	249.653	250.214	1.1	0.2	0.2	0.0	0.2
Food at home.....	7.846	238.207	238.300	238.953	0.3	0.3	0.1	-0.1	0.2
Cereals and bakery products.....	1.057	273.418	272.429	271.950	-0.5	-0.2	0.3	-0.1	-0.4
Meats, poultry, fish, and eggs.....	1.744	246.875	245.756	247.761	0.4	0.8	0.3	0.6	0.7
Dairy and related products.....	0.796	214.605	215.192	216.434	0.9	0.6	0.3	-0.5	0.3
Fruits and vegetables.....	1.332	291.960	294.788	294.935	1.0	0.0	-0.6	-0.1	0.5
Nonalcoholic beverages and beverage materials.....	0.942	166.648	167.242	167.085	0.3	-0.1	1.1	-0.6	-0.3
Other food at home.....	1.974	210.486	210.119	210.624	0.1	0.2	-0.1	-0.3	0.0
Food away from home ¹	5.782	263.051	268.225	268.649	2.1	0.2	0.2	0.0	0.2
Energy.....	7.345	195.940	204.646	202.554	3.4	-1.0	-2.7	-1.6	-0.1
Energy commodities.....	3.554	198.978	209.905	205.222	3.1	-2.2	-6.2	-2.7	0.0
Fuel oil ¹	0.096	212.482	224.542	220.152	3.6	-2.0	-2.8	-3.7	-2.0
Motor fuel.....	3.372	196.053	206.760	202.051	3.1	-2.3	-6.4	-2.8	0.0
Gasoline (all types).....	3.322	195.243	205.881	201.173	3.0	-2.3	-6.4	-2.8	0.0
Energy services ²	3.790	201.832	208.852	209.084	3.6	0.1	0.7	-0.5	-0.2
Electricity ²	2.967	214.193	218.865	219.696	2.6	0.4	0.3	-0.6	0.4
Utility (piped) gas service ²	0.823	162.129	175.807	174.301	7.5	-0.9	1.9	-0.2	-2.3
All items less food and energy.....	79.027	247.744	252.014	251.936	1.7	0.0	0.1	0.1	0.1
Commodities less food and energy commodities.....	18.946	144.832	144.577	143.915	-0.6	-0.5	-0.3	-0.1	-0.1
Apparel.....	3.039	123.030	124.630	122.485	-0.4	-1.7	-0.8	-0.1	0.3
New vehicles.....	3.624	147.119	147.262	146.190	-0.6	-0.7	-0.2	-0.3	-0.5
Used cars and trucks.....	1.994	145.457	140.015	139.519	-4.1	-0.4	-0.2	-0.7	-0.5
Medical care commodities.....	1.848	366.784	376.182	380.302	3.7	1.1	0.4	0.7	1.0
Alcoholic beverages.....	0.943	242.032	244.597	244.706	1.1	0.0	-0.3	0.2	0.1
Tobacco and smoking products.....	0.685	962.630	1,028.777	1,030.729	7.1	0.2	0.1	-0.4	-0.1
Services less energy services.....	60.081	311.072	318.345	318.674	2.4	0.1	0.2	0.2	0.2
Shelter.....	33.716	288.780	297.446	297.919	3.2	0.2	0.2	0.2	0.1
Rent of primary residence ²	7.880	296.862	307.314	308.173	3.8	0.3	0.3	0.3	0.2
Owners' equivalent rent of residences ^{2, 3}	24.529	295.554	304.218	305.037	3.2	0.3	0.2	0.3	0.3
Medical care services.....	6.656	495.431	505.813	506.681	2.3	0.2	-0.1	0.3	0.3
Physicians' services ²	1.656	380.083	377.747	377.989	-0.6	0.1	-0.2	-0.4	0.1
Hospital services ^{2, 4}	2.287	302.161	318.313	319.387	5.7	0.3	0.1	0.9	0.5
Transportation services.....	6.020	300.823	312.012	310.567	3.2	-0.5	0.3	0.2	0.2
Motor vehicle maintenance and repair ¹	1.153	276.058	279.294	279.605	1.3	0.1	0.1	-0.4	0.1
Motor vehicle insurance.....	2.545	489.064	525.397	526.394	7.6	0.2	1.1	1.0	0.3
Airline fares.....	0.687	283.501	296.384	276.308	-2.5	-6.8	-2.7	-2.7	0.7

¹ Not seasonally adjusted.

² This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

³ Indexes on a December 1982=100 base.

⁴ Indexes on a December 1996=100 base.

NOTE: Index applies to a month as a whole, not to any specific date.

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES
IN RATES AND CLASSES FOR INBOUND PARCEL POST (AT UPU RATES) (GOVERNORS'
DECISION No. 14-04)**

June 18, 2014

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to our authority under sections 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish price and classification changes for the Postal Service's shipping services (competitive products). This decision establishes prices for Inbound Parcel Post at Universal Postal Union (UPU) rates for which there is no contractual relationship governing the price with the tendering postal operator. The attachment includes the draft Mail Classification Schedule sections with changes in classification language in legislative format.

Governors' Decision 09-15 previously established prices and classifications for Inbound Air Parcel Post (at UPU rates). That decision explained that under the Universal Postal Convention, postal operators tender air parcels to each other for delivery in the destination country at prices set by the UPU Postal Operations Council, except where postal operators have negotiated alternative prices for parcels. The method by which prices, or inward land rates, are established is set forth in the UPU Parcel Post Regulations, and is similar for both air and surface parcels.

Consistent with Governors Decision 09-15 regarding the approval of the prices for Inbound Air Parcel Post (at UPU rates), we conclude that the inward land rates for Inbound Parcel Post (at UPU rates), including air and surface parcels, should satisfy the requirements of 39 U.S.C. §§ 3632-3633 and 39 C.F.R. §§ 3015.5 and 3015.7. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] We also approve the classification changes, finding that they are appropriate and consistent with the regulatory criteria, as indicated by management. Pursuant to this decision, management may file the

applicable inward land rates for Inbound Parcel Post (at UPU rates) with the Postal Regulatory Commission, including both air and surface parcels, as appropriate.

ORDER

In accordance with the foregoing Decision of the Governors, the prices for Inbound Parcel Post (at UPU rates) and the changes in classification necessary to implement those prices are hereby approved and ordered into effect. We direct management to file appropriate notice of these changes with the Postal Regulatory Commission as needed. Prices and classification changes established pursuant to this Decision will take effect concurrently with the transfer of Inbound Surface Parcel Post (at UPU rates) from the market dominant product list to the competitive product list.

By The Governors:

A handwritten signature in cursive script, reading "Mickey D. Barnett", is written over a horizontal line.

Mickey D. Barnett
Chairman

RESTRICTED AND SENSITIVE BUSINESS INFORMATION - DO NOT DISCLOSE

DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON THE ESTABLISHMENT OF PRICES AND CLASSIFICATIONS FOR DOMESTIC COMPETITIVE AGREEMENTS, OUTBOUND INTERNATIONAL COMPETITIVE AGREEMENTS, INBOUND INTERNATIONAL COMPETITIVE AGREEMENTS, AND OTHER NON-PUBLISHED COMPETITIVE RATES (GOVERNORS' DECISION NO. 11-6)

March 22, 2011

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to our authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish new prices not of general applicability for certain of the Postal Service's competitive service offerings, and such changes in classification as are necessary to implement the new prices.

This decision establishes prices for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates. Domestic Competitive Agreements consist of negotiated service agreements with Postal Service customers for domestic services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Outbound International Competitive Agreements consist of negotiated service agreements with Postal Service customers for outbound international services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Inbound International Competitive Agreements consist of negotiated service agreements with foreign postal operators or other entities for inbound international services that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2). Other Non-Published Competitive Rates consist of rates not of general applicability that are not embodied in contractual instruments, but nonetheless arise from other sources, such as the Universal Postal Convention.

RESTRICTED AND SENSITIVE BUSINESS INFORMATION - DO NOT DISCLOSE

Governors' Decision No. 11-6

Page 2

With respect to any product within the above categories, management is hereby authorized to prepare any necessary product description, including text for inclusion in the Mail Classification Schedule, and to present such product description to the Postal Regulatory Commission.

The Postal Accountability and Enhancement Act (PAEA) requires that prices for competitive products must cover each product's attributable costs, not result in subsidization by market dominant products, and enable all competitive products to contribute an appropriate share to the Postal Service's institutional costs. For agreements subject to this Decision, there are hereby established all prices that will cover [REDACTED] [REDACTED] costs for the relevant product and that conform in all other respects to 39 U.S.C. §§ 3632-3633 and 39 C.F.R. §§ 3015.5 and 3015.7. As discussed in the accompanying management analysis, the Chief Financial Officer (or his delegate(s)) shall certify that all cost inputs have been correctly identified for prices subject to this Decision and that all prices subject to this Decision conform to this Decision and to the requirements of the PAEA.

No agreement, grouping of functionally equivalent agreements, or other classification authorized pursuant to this Decision may go into effect unless it is submitted to the Postal Regulatory Commission with a notice that complies with 39 U.S.C. § 3632(b)(3). On a quarterly basis, management shall furnish the Governors with a report on all non-published rate and classification initiatives. Not less than once each year, the Governors shall review the basis for this Decision and make such further determination as they may deem necessary. This Decision does not affect postal management's obligation to furnish to the Board of Governors information regarding any significant, new program, policy, major modification, or initiative, or any other matter under 39 C.F.R. § 3.7(d), including where such a matter also falls within the scope of this Decision.

RESTRICTED AND SENSITIVE BUSINESS INFORMATION - DO NOT DISCLOSE

Governors' Decision No. 11-6

Page 3

This Decision does not supersede or otherwise modify Governors' Decision Nos. 08-5, 08-6, 08-7, 08-8, 08-10, 08-20, 08-24, 09-5, 09-6, 09-7, 09-14, 09-15, 09-16, 10-1, 10-2, 10-3, 10-6, and 10-7, nor does it affect the validity of prices and classifications established under those Decisions. Management may also continue to present to the Postal Regulatory Commission for its review, as appropriate, rate and classification changes to succeed the minimum and maximum non-published rates in Decision Nos. 10-2 and 10-6.

ORDER

In accordance with the foregoing Decision of the Governors, the prices set forth herein for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates and the changes in classification necessary to implement those prices, are hereby approved and ordered into effect. An agreement is authorized under this Decision only if the prices fall within this Decision and the certification process specified herein is followed. Prices and classification changes established pursuant to this Decision will take effect after filing with and completion of review by the Postal Regulatory Commission.

By The Governors:



Louis J. Giuliano
Chairman

Attachment A

Management Analysis of Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates

This analysis concerns the inbound competitive prices and classifications in the Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (collectively, "competitive instruments"). Competitive instruments are often negotiated with customers and foreign postal operators for better cost coverage, higher overall contribution, and improved service with respect to postal services classified as competitive. They may also arise from other sources, such as the Universal Postal Convention.

The cost coverage for each competitive agreement or grouping of functionally equivalent instruments (collectively, each "product") will be [REDACTED]:

[REDACTED]

The cost coverage for a product equals [REDACTED]

[REDACTED]

[REDACTED]

Each competitive instrument may have multiple price categories and negotiated components. Examples of such categories or components would be Priority Mail, Express Mail, Parcel Return Service, Priority Mail International, Express Mail International, International Priority Airmail, International Surface Air Lift, Inbound Air Parcel Post, Inbound Surface Parcel Post, Inbound Direct Entry, and Inbound International Expedited Services. These or other categories may include other services that the relevant customer or foreign postal operator offers to its customers under differing terms, but that nevertheless are processed and delivered in the same manner within the United States Postal Service's network. Such instruments may also establish negotiated rates for services ancillary to such items and for customized competitive services developed for application solely in the context of the agreement.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RESTRICTED AND SENSITIVE BUSINESS INFORMATION - DO NOT DISCLOSE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]


[REDACTED]

[REDACTED]

Prices established by these formulas should not interfere with competitive products' ability as a whole to comply with 39 U.S.C. § 3633(a)(3), which, as implemented by (39 C.F.R. § 3015.7(c)) requires competitive products to contribute a minimum of 5.5 percent to the Postal Service's total institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products should arise (39 U.S.C. § 3633(a)(1)).

**CERTIFICATION OF GOVERNORS' VOTE
IN THE
GOVERNORS' DECISION NO. 11-6**

I hereby certify that the Governors voted on adopting Governors' Decision No. 11-6, and that, consistent with 39 USC 3632(a), a majority of the Governors then holding office concurred in the Decision.



Julie S. Moore
Secretary of the Board of Governors

Date: 3/22/2011